



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-3

October 10, 2002

Mrs. Elizabeth Smith, Treasurer  
The Madison Project Inc.  
P.O. Box 100  
Centreville, VA 20122

Identification Number: C00298000

Reference: Amended April Quarterly Report (1/1/02-3/31/02), received 7/12/02

Dear Mrs. Smith:

On September 18, 2002 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your October 2, 2002 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Your report discloses a transfer(s) for "Overhead Expenses" to the Madison Project State Account which appears to be a non-federal account of your committee. Please be advised, committees that make disbursements in connection with federal and non-federal elections and have established separate federal and non-federal accounts must allocate their expenses pursuant to 11 CFR §§106.5 and 106.6.

Further, 11 CFR §§106.5 and 106.6 prohibits a committee's federal account from reimbursing its non-federal account for shared allocable expenses. Also, the non-federal account is prohibited from paying the federal account's share of these expenses. These types of shared costs must be paid according to the allocation ratio derived from the appropriate method on Schedule H1.

If the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If your non-federal account has paid any expenditures which should have been